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POST
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STATUS SYMBOL

Israelis wake up to luxury coffee

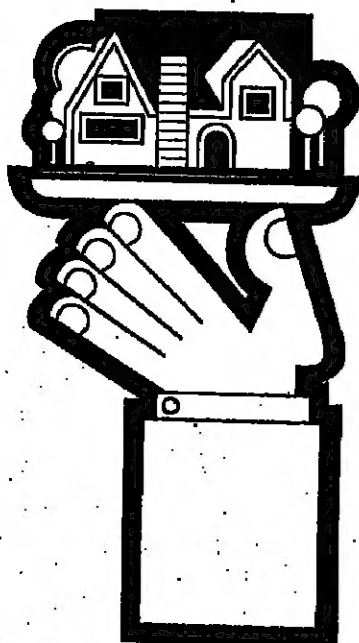
SIVAN FARAG



REAL LIFE QUESTIONS

My husband and I have bought a new house and are not sure whether to sell our old apartment. We are paying \$360,000 for our new home and our existing home is worth \$220,000. We do not need a mortgage to buy our new home, if we sell our current home, but to keep the old one as well we would face a shortfall of about \$120,000. Elderly relatives will be giving us about \$50,000 in about a year and about \$50,000 a year later. We don't have any debts and have the standard work-related savings. However, our incomes only just cover our living expenses. The apartment is in quite a nice area and we are confident of renting it quite easily. We have been told that it would bring in about \$700 a month. A particular reason we would like to keep the apartment is that we could see ourselves moving back there after our children have grown up and left home. But we're concerned at putting all our eggs in one basket and wonder if some other kind of investment might not be more appropriate. What do you suggest?

P.J., Jerusalem



The answer to this question is one as much of style as of substance. By virtue of your work-related savings — pension plans, provident funds and training funds — you have exposure to the usual spread of investments, namely shares, index-linked bonds and so on.

Admittedly, a large proportion of your net worth will be tied up in real estate if you keep your old home

while buying a new one. But we are dealing with a real-life question rather than abstract portfolio theory and the issue that needs to be addressed is, what are the risks involved in pursuing this strategy, and what are the alternatives?

The alternatives are rather unappealing. If you sell your flat, then within a couple of years you are going to have \$200,000 in liquid assets. I don't know what I would do with that kind of money other than buy an apartment.

The interest rates available on savings plans and in the bond market are attractive. Economic growth is likely to continue, which should lead to decent returns from the stock market. But keeping the apartment has the advantage all these lack — namely that it provides both income (hopefully a rising one) and the possibility of capital growth. Few TASE stocks pay a dividend and bonds and bank deposits have no growth prospects.

The risks inherent in keeping the apartment seem slim. They are 1) It falls sharply in value. You say that you plan to hold it for the long-term, maybe even moving back to it. Even if prices drop in the short-term — which seems unlikely since you say the apartment is located in a desirable area — they should recover over time. 2) You are unable to find a tenant. This is unlikely, you say. 3) You are unable to meet/pay off the mortgage. Given the gifts you anticipate receiving this seems remote. 4) The apartment requires some major anticipated maintenance. That is, a judgment you have to make. You have lived there for a number of years and presumably know the place's disadvantages.

From a purely investment standpoint, the return on apartments tends to fall as the apartment increases in size, so financially you would do slightly better with two smaller apartments than one larger one, though obviously this doubles the management headache. But your decision is not a totally financial one and you should not be overly concerned with absolute maximization of your return.

Neil Cohen



HAGGLE IN THE BANK

By Neil Cohen

It is unclear why Bank Hapoalim circulated a chart comparing bank charges at the main banks last week. It doesn't show Hapoalim in a particularly favorable light, which tends to be the goal when banks circulate such charts.

If anything, the chart would support claims that the banks operate a cartel in setting their commissions, though I doubt this is the case. Their tariffs are remarkably similar, they charge for virtually every transaction and strengthen the case for keeping one's money abroad, if one can, and performing as many transactions there as possible.

One thing I have learned recently is the banks are not Marks & Spencer. That their service and quality falls far short of M&S, we all know. But that prices are negotiable in banks is less well known.

As far as I can tell clerks, who sit at desks (not tellers), are authorized to discount tariffs, usually by up to 35%, and give better interest rates on deposits, without asking their superiors. You just have to ask, and maybe press them. You are not going to get small

commissions cut, or rates improved on really small deposits. But on charges of NIS 50-100 and up and deposits of NIS 5,000-10,000, I think there is room for maneuver. Obviously the better a customer you are the more chance you have.

My evidence for this is largely anecdotal and I am sure the banks would officially deny any such policy, but I am equally sure you can bargain. The areas where there seems to be most room for haggling are deposits and savings plans, and foreign currency conversions of any size. The banks charge exorbitant commissions based on a fraction of the transaction — but it's the same amount of work for them to convert \$500 as \$50,000. You must find out to what exchange rate your money is to be converted — it will usually be much worse than the Bank of Israel's "representative" rate.

Ask about the fees in advance of making large transactions, such as car loans, since your bargaining power will be considerably diminished after the fact.

Overall, though, the differences are so marginal that you should be choosing your bank based on the quality of service and the bank's willingness to meet your needs, rather than the fact that its published tariffs may be marginally cheaper than those of its competitors.

GOOD, MORBID ADVICE

A lawyer friend gave me such good advice that I must share it with you.

If you are the partner who deals with the family's finances and you were to die suddenly, would your spouse know what to do? Would he or she know where the bank accounts are and what is in them, and what other assets you have? Would your spouse know how to pay the bills while grieving and reorganizing his or her life and that of your children? That period would be disorienting enough without having to worry about how to pay the bills.

My friend assured me that his very sensible wife had no idea how their finances were organized, so I decided to test the subject on my own wife, an intelligent career woman who must have heard me discuss our fi-

nances dozens, if not hundreds of times. She didn't like discussing the subject, but when pressed was pretty woolly over what there was and where to find it.

So what do you do?

First make sure that one of your bank accounts has enough easily accessible money in it to tide your spouse over for at least a few weeks. Do this before you start thinking about your long-term investments. Make a clear, easy to follow, but comprehensive list of the family's assets, the bank accounts and where they are. List approximately what they have in them and a contact person at the bank branch.

If you have a securities portfolio explain where it is and whom to contact and roughly what it's worth.

Likewise with any property assets. List where relevant documents are to be found. The same goes for insurance policies, savings plans, and pension plans. It's probably a good idea to make sure that some assets are in each spouse's name, rather than all in one name or all jointly-owned. That way, in the event that one of you dies suddenly, there are assets that can be rapidly accessed by the other. Go over the list carefully with your spouse and make sure he or she understands it and knows where it is. Make a will. The last thing your spouse needs is for you to die and all your assets — including your home — be tied up because you didn't make a will.

Neil Cohen



It can be the ultimate status symbol: a finely crafted instrument, handsome and expensive. It is jewelry almost any man is comfortable wearing. And if you're about to spend several hundred dollars on a quality wristwatch, you may want to stop for a second and think again. Investing just a few times that much will not only buy a beautiful timepiece but yield one that is much more likely to retain its value over time — pardon the expression.

In a few rare instances, the watch may actually appreciate if you buy a quality instrument and take good care of it.

other distinctive feature.

These tend to retain more value than standard 18-carat gold watches, which sell for several thousand dollars when new. But there are ways to spend less and still get a high-quality watch.

One is to buy in Hong Kong, if you happen to be traveling there, since discounting is rampant. Just make sure the watch is authentic. Look to see if the case, the face and the movement are signed.

"It's important that the signature is right and that the case and movement are authentic to each other," said Fanelli.

\$4,000 new. Because of strong demand and short supply of movements for the watches, the Daytonas already fetches \$6,000 to \$7,000 in the secondary market, said Unger of Time Will Tell.

But that kind of rapid appreciation is rare, experts said.

For that unusually rare watch, be prepared to spend a bundle. At an auction this month, Sotheby's is offering a two-tone gold rectangular wristwatch that needs winding once every eight days, and a gold watch with a bell that chimes the time, down to the minute, and whose original owner was Albert Middleton, a

TIME IS ON THEIR SIDE

Wristwatches can make excellent investments

By Steven Radwell

"In the end it's better than a car because a car can't come into the boardroom or restaurant with you," said Dany Schnipper, senior vice-president and head of the watch department at Sotheby's in New York. "There are so few things that men can buy as personal objects."

But a wristwatch is undoubtedly one.

Just ask TV star Bill Cosby, Hollywood's Charlie Sheen or the author John Grisham, all of whom have bought watches from Stewart Unger, the owner of Time Will Tell in New York.

About a year ago Sheen plunked down nearly \$10,000 for a military-style watch made of white gold by Patek Philippe & Co. the prestigious Swiss manufacturer, Unger said. That particular model, a limited edition that features a see-through "exhibition" back and a leather-and-gold "foldover" buckle, is already selling at auction for \$13,000 or more, Unger said.

"It's a great watch. He just had to have this watch," he said of the actor.

Like most quality watches, the Patek is mechanical — it's driven by a mainspring, part of the "movement" that runs the watch. In addition to Patek Philippe, Vacheron & Constantin, Audemars Piguet, Breguet and Rolex all make mechanical watches.

"If you're going to buy to invest, you want to buy the major names," said Cindy Fanelli of New York's Fanelli Antique Timepieces. Unlike other watches "they'll always retain value in the secondary market."

THE BUYER should also look for something a bit out of the ordinary in new or used Swiss watches: a "moon dial" face, a stopwatch second hand, known as a chronograph, or some

Another alternative is to buy a watch from a Swiss maker, such as Breitling, at the next lower price tier. Breitling's new steel models with gold decoration start at under \$1,000. Or you can buy a watch at auction.

For example, Vacheron and Constantin watches from the 1940s or 50s (some with decorative cases or other unusual features) can be found for \$1,500 to \$2,000, said Claudia Florini at Phillips Fine Art Auctioneers.

Buying from retailers or dealers who themselves buy at auction means you'll have to pay more, so it may be worthwhile to attend an auction yourself, experts said. That means getting educated — reading catalogs and asking questions — before you start bidding.

Without a doubt, mechanical watches, as opposed to quartz models, "tend to be the ones with stronger resale value," said Florini, noting that more new mechanical models are being made now than just several years ago.

"That's what the purists collect, even if your watch stops several times a day, which mine often does," she said, referring to antique models that need regular winding.

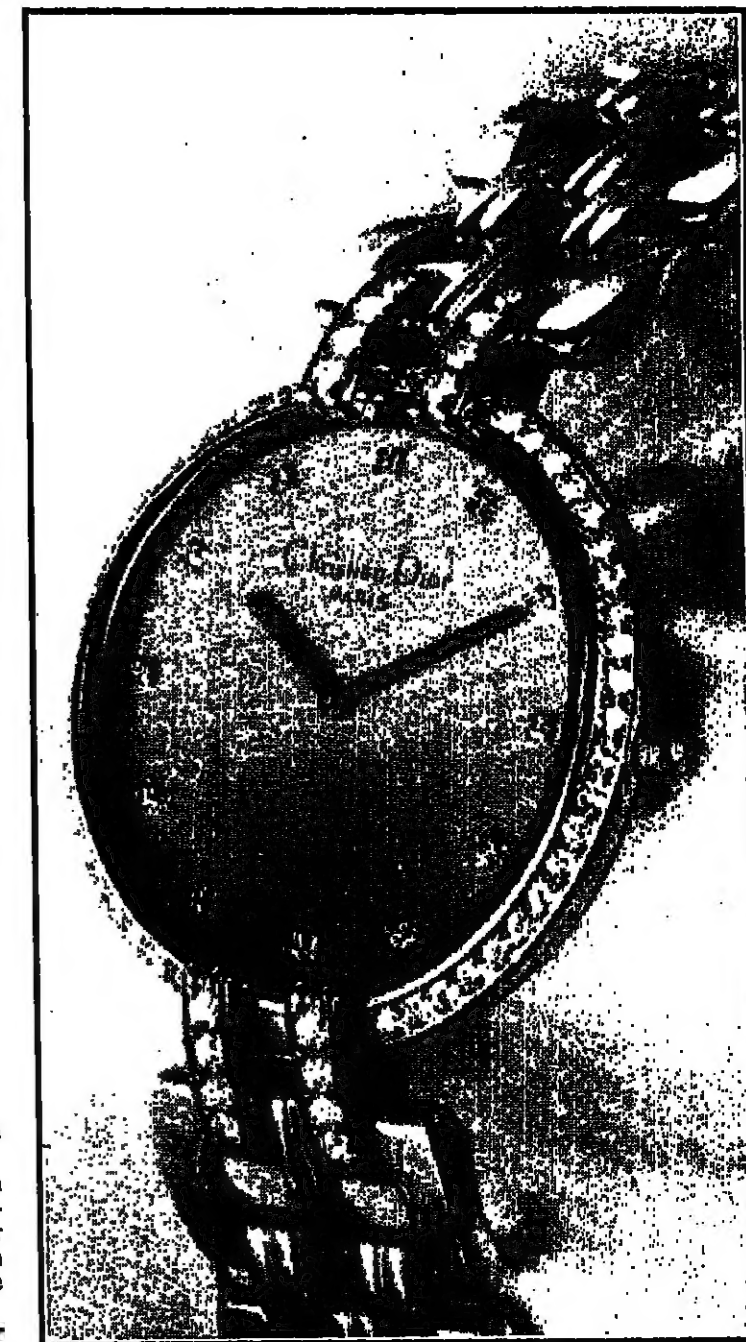
Some mechanical models are "automatic" — they are wound by the everyday motion of the hand and arm. Some Rolex watches, both newer and antique models, have become very popular. "Rolex watches produced in the 1940s and '50s are worth 10 or 20 times what they were made for then," said Jacques Raymond, a master watchmaker at Swiss Service in New York who graduated from watchmaking school in Switzerland.

Some steel-and-gold models can fetch \$2,500-\$3,000. Then there is the Rolex Daytonas, which features a stopwatch and sells in a sporty steel model for about

founder of Victor Talking Machine Co., a forerunner of RCA.

The minimum estimated auction prices: \$400,000 for the "Minute-Repeating" watch and \$100,000 for the "Eight-Day" model. Both watches were made by Patek Philippe in the 1930s.

Reuter



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Discount Investment Corporation is one of Israel's oldest and most blue-chip concerns. Yet at the same time it is an extremely complex animal whose workings few people really understand. DIC is something between an investment holding company and a venture capital fund which also happens to own stakes in other holding companies and other venture funds.

DIC is a pretty good proxy for the Israeli economy, and an investor wanting to buy a diversified portfolio could get it through a single stock by buying DIC. Despite a sharp profit reversal and some fairly negative publicity last year, DIC has rewarded its shareholders well — over the last five years its stock has outperformed the main market indices by a comfortable margin. The company also pays out a dividend.

But now the company faces something of a crossroads as many of its more mature, and admittedly very profitable, holdings have gone ex-growth and its newer investments have yet to break into profit. Indeed, much of the negative publicity surrounded the collapse in price of a number of DIC's holdings last year after what were, in retrospect, significantly overpriced public offerings, and a significant worsening in profitability shortly after going public.

DIC has always been a technology-oriented investor, but that orientation has intensified recently and the company has focused its newer investments in the communications field, aiming for exposure to all the main areas of the sector.

But it is DIC's older, industrial investments which have been the company's mainstay, providing 48% of its earnings in 1994 despite representing only 32% of its investments. Its biggest holding in this area, and its most profitable in any sector, is Stof Wertheimer's Iscar Ltd, which makes carbide tools and tips for metal machining applications. Iscar, of which DIC owns 25.2%, contributed NIS 41.8m. to DIC's net profits of NIS 87.5m. in 1994.

Other big industrial investments include American Israeli Paper Mills, engine blades manufacturer Blades Technology Ltd, Tambour and aluminum products manufacturer Kilim Industries. A further 29% of DIC's earnings came from what it terms its investments in energy, shipping and services, which account for 30% of its investments. The main holdings here are Delek — itself a holding company, Super-Sol and shipping firm BI-Yam. The other big contributors to DIC's profits are mutual fund manager Ilanot Discount, Solitec, Elron, Property and Building and one recent investment — cable TV company Tevel.

In 1994 DIC earned net profits of NIS 87.5m. compared with NIS 213m. in 1993 and NIS 210m. in 1992. Compared with 1993, the company's share in the net profit of subsidiaries fell to NIS 112m. from NIS 162m. The bulk of this fall was the result of a NIS 20m. share in related companies' stock market losses compared with profits of NIS 7m. in 1993 when NIS 18m. of provisions were also written back.

Management fees and other income fell to NIS 61m. from NIS 78m. as the assets managed by Ilanot Discount contracted sharply. At the end of 1993 they stood at NIS 3.4 billion but in the end of 1994 they had shrunk to NIS 2.1 billion. Capital gains on the disposal of investments fell to

PROXY VOTE

Cellcom will be a key to
Discount Investment's future

By Neil Cohen



DIC managing director Dov Tadmor.



Cellcom's first day. It hasn't been all plain sailing since.

NIS 9m in 1994 from NIS 36m in 1993. Losses on new business areas rose to NIS 10m from NIS 5m.

SOME OF DIC's new investments, although losing money now, appear to have considerable promise and may prove to be its future cash cows. Others have done less well, to put it mildly. Some are already profitable. Nice Systems, for example, was very profitable in 1994, mainly as a result of the disposal of NiceCom to 3Com. Gilat Satellite Networks has been one of the best performing Israeli stocks in New York as the company's profits grow smartly.

Amongst others with great promise are RDC — a joint company with Elron, PBC and Rafael which is developing commercial applications of Rafael's defense technologies; Tel-Ad — the Channol 2 TV franchise; and, of course, Cellcom.

So far, Cellcom has eaten up a lot of cash and will continue to do so for

some while. And there is no knowing what the financial or business damage the company's technical problems will wind up causing. But cellular telephony has proved a great business elsewhere in the world and it is reasonable to assume, as long as it overcomes its current difficulties, that Cellcom will not be any different. And, unlike some of its other investments, Cellcom is big enough to have a major impact on DIC's profits and asset value.

The investments which are looking less good are Lipman Electronics Engineering, which reported an unexpected NIS 16m. loss in 1994 shortly after going public. DIC only owns 6% of the company, which it carries in the books at NIS 5.55m. — so the financial damage was marginal. It contributed a NIS 1m loss to DIC's results for the year. Lipman's performance has picked up somewhat in 1995 but the episode was an embarrassment to DIC which had in-

vested in the company before it went public. And after earning NIS 6.3m. in 1993 Electronics Line went public in 1994, only to lose NIS 4m that year. Lego earned NIS 5m. in 1993, went public in 1994, and reported a loss of NIS 2m. for that year.

Granted, DIC took a multiple whammy in 1994. Not only did the juicy capital gains of 1992 and 1993 evaporate but the collapse of the TASE meant that its investee companies lost money from stock market investments and DIC saw the value of its own investments drop. Its share price has slid to NIS 198 from a high of NIS 337.

Profits picked up in the first quarter of 1995 to NIS 34m. from NIS 28m. In the first quarter of 1994 there were no stock market losses to contend with (in the first quarter of 1994 there were NIS 9m. of such losses). Profits from industrial investments rose to NIS 21m. from NIS 17m. in the first quarter of 1994.

but communications profits fell to NIS 2m. from NIS 6m. as Cellcom costs came in. Energy, shipping and services were basically flat but real estate and finance profits slipped to NIS 2m. from NIS 4m. as funds under Ilanot's management continued to contract.

The bull case for DIC is that it has achieved high returns on equity and that there are enough potential stars in its investment portfolio to enable the company to resume its profits growth and high returns on equity. In addition, the stock is probably somewhat undervalued. In a recent note, UBS Research, part of the Union Bank of Switzerland's securities division, estimated that the true value of DIC's portfolio is NIS 2.32 billion compared with the NIS 1.36b book value and market capitalization of NIS 1.85b.

The negative case is that the historically high returns on equity have been flattered by the understatement of the assets in the books. A more substantive criticism is that DIC is over-diversified. It has approximately fifty different holdings and in many cases (Cellcom is a notable exception) the holding is too small to have much impact on the company's profitability even if it is successful.

In the medium to long-term DIC will probably perform in line with the overall market unless Cellcom proves to be a major hit. As a proxy for the market it does have things to recommend it. It has a solid, experienced and long standing management team, led by Dov Tadmor. And compared with the other holding companies (Cial, Koor and the Israel Corporation) its portfolio is the most technology oriented and its strategy more defined and predictable.

VIVA L'ESPRESSO!



SVAN PAPAS

An intoxicating, nutty aroma envelops you even before you take your first sip. Then, slowly, you taste the rich, creamy brew. After a few moments you feel refreshed, alert and ready to face any challenge.

A good cup of espresso is more than just a drink. It is an experience, a ritual, a symbol. For Sara Shemer it is also a new and promising business.

"We are seeing a change in consumer taste in Israel. People have more money, they are more demanding," Shemer says in the new Arcafe espresso bar in the Herzliya Industrial zone, which opened at the end of April.

The bar looks like a very upscale Italian espresso bar. The wooden counter is highly polished, the barman wears shirts with wing collars, black bow ties, and black waistcoats.

A showcase holds sandwiches made with focaccia, an Italian pizza-like bread, mozzarella and fresh basil, or tuna and tomatoes, or smoked salmon. There are small, imported Italian almond biscuits. Among the drinks behind the bar is a liqueur made from Jamaica Blue Mountain coffee, which Shemer describes as the best coffee in the world.

The balcony overlooking the bar holds the heart of the business — burlap sacks full of mixtures of coffee beans prepared in Italy, and the roasting machines, where the beans are roasted for about 20 minutes. From there, the beans are transferred to clear plastic cylinders, which reach down to the bar.

According to Shemer, about \$60 million-worth of coffee is sold in Israel annually. The specialty coffee market makes up about five to six percent of that, she says, and she expects this market to grow.

She is not the only one. Elite, by far the leader in the Israeli coffee market, is studying the possibility of opening a chain of espresso bars throughout the country. Elite public relations director Ruth Tamir says that gourmet coffee is a very marginal part of the market. Four years ago, the company began to develop the gourmet coffee market by opening five specialist shops known as Olam Hacafe (World of Coffee).

The coffee machine has moved from the secretary's room to the director's office.

By Haim Shapiro

Imported specialty coffees include Lavazza, Segafredo, and Illy. Zvika Krochmal, director of Hobar — which imports Lavazza espresso machines, primarily for offices — is convinced that Lavazza is by far the leader in the espresso market. It is already used in all the cafes of the Kapulsky chain. In Italy, he says, Lavazza has about 70 percent of the market, with the remainder shared between small distributors.

"In Tel Aviv cafes, people don't just ask for coffee, they ask if they have Lavazza, or Illy," Krochmal says.

An indication of the importance coffee is playing as a prestige item, he says, is the fact that when he sells an espresso machine, it is usually the NIS 3,200 top of the line model, although the machines start at NIS 1,000.

"The espresso machine has moved from the secretary's room to the director's office," he says, noting that for a lawyer or insurance executive it is important to show the client that they have the best espresso.

ARCAFE ALSO sells espresso machines for offices, as well as prepackaged capsules for the machines, similar to those of Lavazza. The coffee in the capsules is not roasted here, but in Italy, where the capsules are packaged.

However, Shemer says, the best coffee is that which is freshly roasted, and even the best vacuum pack cannot duplicate the freshly roasted flavor. Arcafe is the only specialty espresso firm that roasts its beans in Israel.

"A vacuum pack just isn't the same thing," she avers.

Krochmal says that as far as he is concerned, the coffee roasted in Italy is fine. There has not been one complaint about it, he says. No one has said

that it is any different from what one drinks in Italy. An indication of the popularity of the coffee, he says, is the fact that Lavazza never advertises, but its sales continue to rise.

If anyone should know about espresso-drinking as a status symbol it should be Shemer, who comes to espresso from the world of mass marketing, in which she has a PhD.

During the first year of operations, she says, she expects Arcafe's total investment to reach \$1 million. During this time, she expects to open two new outlets, but when asked where, she smiles and shakes her head. That, she says, is a trade secret.

Shemer opened the bar, and expects to open the additional outlets, in partnership with Italian Arcafe. The Italians hold a 25 percent stake and, having sold coffee for 150 years, provide the know-how. The Italian company has its own contacts with specific growers, from whom it buys coffee beans, she says. For the first month of operations, experts from Italy were on hand to supervise every roasting. Now she sends samples to Italy for quality control.

She says that Israeli and Italian tastes in coffee are very similar. The Mediterranean taste is a contrast to that of Northern Europe, where locals prefer their coffee more acid and bitter, she says. They achieve this result from longer roasting. In the US, where tastes are similar to those of Northern Europe, this is known as a French roast, she adds. "In Italy, less is more. The coffee is roasted for less time, and they use less water."

The coffee is roasted in batches of 14 or 15 kilos and there are six different mixes and roasts. At the top of the scale is a mix known as Paradiso, selling for NIS 95 a kilo, in which

Jamaica Blue Mountain coffee is said to be the major ingredient. A similar, but less expensive blend, Roma, sells for NIS 85 a kilo and incorporates Kanya Blue Mountain, a bean said to be very similar to the Jamaican prototype. Both blends, she says, are very velvety.

She cannot recommend one blend for everyone. Before selling a blend, the salesman must know the client's particular taste, and whether the coffee is to be used in an espresso machine, a filter pot, or a percolator. There are even two blends recommended for Turkish coffee. Moreover, she adds, the company does not encourage clients to buy large quantities of coffee, since freshness is an important selling point.

The location in Herzliya, she says, is ideal. Not only are there a large number of sophisticated foreigners, such as members of the diplomatic community, but it is in the heart of a high-tech business area. She describes it as an area with high buying power, a place where innovations are not strange.

"These are people who know a lot and expect a lot... They know what they want from coffee. If we can satisfy them, we should be able to satisfy the rest of the country," she says.

The best customers include former Italians and Israelis who spend long periods in Italy. Other good clients include South Americans and, following the boom of espresso bars in the US and Canada, North Americans.

The bar in Herzliya, she says, is more a tasting center than a place of business. It is intended to expose as many people as possible to the taste of freshly roasted coffee from Italy.

"The potential has hardly been tapped," she says.

CHANCE ENCOUNTERS

Data Systems & Software Inc. head George Morgenstern attributes his success to powers beyond his control.

By Marilyn Henry

According to the inscriptions on the items on his desk, George Morgenstern is the world's greatest — the world's greatest boss, salesman and grandfather.

It is that last accolade, "world's greatest zaidy," that Morgenstern treasures most. Framed and hanging on the wall of his understated office are notes from those of his 36 grandchildren who are old enough to write, expressing their affection on Morgenstern's recent 60th birthday.

Those notes are next to a photo of his grandchildren, sitting in a thick semicircle on the sun-dappled lawn on Morgenstern's privately-owned Shiva Street in Monsey, NY, where his neighbors are his five children.

"He likes to have his children with him, so he got a few acres and built houses for them," one Monsey resident said affectionately, as though people do this kind of thing every day.

Morgenstern could do this as the chairman, president and CEO of Data Systems & Software Incorporated. Through concerns it owns

"We can train Israelis to do what we do in America — and now they are better at it than we are."

of controls in Israel and the US, DSSI is a leading provider of consulting and development services to Israeli and American high-tech companies. It also has the majority stake in Tower Semiconductor Holdings, a "foundry" that manufactures semiconductor components.

In the three months ended March 31, 1995, DSSI's sales increased \$11 million, to \$27.94 million — a 65 percent increase over the comparable period a year earlier.

At a mention of his success, Morgenstern grinned and said, "God is kind to fools."

On a recent Friday, a casual-dress day, Morgenstern was wearing a polo shirt and slacks as he sat for an interview in DSSI's unassuming



ing offices in a nondescript building a few yards from a four-lane highway in Mahwah, NJ, just shy of the New York State line. Among the stacks of papers on the tables in his office were a volume of Mishneh Torah and a book on how to play bridge.

Laughing often, Morgenstern spoke of seemingly whimsical choices and chance encounters that ultimately had momentous consequences.

After graduating and being ordained by Yeshiva Chaim Berlin in Brooklyn, Morgenstern was in the first group from that yeshiva to attend Brooklyn College at night. "My singular mark of distinction was that I was the first guy in the history of Brooklyn College to wear a yarmulke."

Wearing a kippa in public was a bold act in those days, when most American Orthodox rabbis routinely said it was permissible for men not to cover their heads for fear that kippot would attract the wrath of antisemites.

Morgenstern recalls one Catholic woman, a math teacher, who refused to speak to him unless he removed the kippa. Although he explained that it was a religious garment, she still insisted that it be removed out of respect for her. "When you remove the cross, I'll remove my cap," Morgenstern said.

But there was a positive side. In his second year at college, there were more yeshiva boys wearing kippot, and many made the honor roll. "The yarmulke for a period of time in Brooklyn College had become a badge of honor," he said. "We were, generally speaking, the best students. In a school of 8,000 [taking classes] at night, maybe 100 were from yeshivas. And of 100 on the dean's list [of top students], maybe 50 were yeshiva boys."

Morgenstern graduated with a degree in math and went into the linoleum business. He was married with a child in 1956 when he saw an ad for mathematicians. "My wife encouraged me: 'You're a mathematician. See if you can get a job. You don't want to be a linoleum salesman, do you?'" he said. "I'm a rabbi and a mathematician, so I went for this interview."

It did not go well. Although Morgenstern had a good college record, he had never had the money to buy the course books. In his first interview, he was grilled by a physicist who wanted to know what textbooks Morgenstern had used. "I was too embarrassed to tell him that I never bought any and rarely saw one, so I said I forgot. He became very abusive," Morgenstern said, mimicking his questioner. "What kind of mathematician are you? You

don't know the name of your textbooks?"

The company advertising for mathematicians was Sylvania. Despite his encounter with the physicist, Morgenstern had made the first cut and was asked to come to an interview in Waltham, Mass. The man who was to conduct the interview was ill, so Morgenstern was directed to the man's house.

His name was Arthur Wouk. While waiting for him to appear, Morgenstern picked up a book on Wouk's living room table. It was *Marjorie Morningstar* — Herman Wouk's novel in which an impressionable New York girl named Morgenstern longs to be an actress. Herman Wouk had inscribed the book to his cousin Arthur.

"I'm sitting there with the book in my hand. Arthur Wouk, who is going to interview me, walks into the room," Morgenstern said, laughing. "And these are his words: 'There's too much symbolism here. My name is Wouk. Your name is Morgenstern. You're holding this book *Marjorie Morningstar* by Herman Wouk. I always wanted my own personal rabbi. You're hired.'"

Morgenstern's offer from Sylvania was at a significantly lower salary than what he earned selling linoleum. And he wasn't sure he ever

intended to take the job. "The reason I went on the interview [was that] I had never flown on an airplane," he said. "They were going to pay for it, so I went."

In the end, he took the job. He stayed with Sylvania for three years, taking pulpits, first in neighboring Lynn, then in Lowell, to supplement his mathematician's salary.

Then he moved back to the New York area to work at ITT as head of the corporation's operational software department. It was not pleasant. ITT then was an old-line communications company suddenly thrust into the new technology called computers. The field was a magnet for young, bright Jews in a society that still eyed Jews warily, at best, and suspiciously at worst. "At Sylvania, they were very respectful of the yarmulke; at ITT, this was not the case," Morgenstern said.

"One of the very impressive things is that he wore his kippa in public," said Marvin Epstein, an engineer in Brooklyn who recounted working with Morgenstern in the ITT days some three decades ago. "In the 1960s, it was unheard of. We'd be sitting at a meeting and he was the only one wearing a yarmulke, and proud of it."

Morgenstern did not stay long. In October 1960, after less than two years at ITT, Morgenstern struck out on his own. He has been in the software business, one way or another, ever since.

In 1980, in Givat Shmuel, Morgenstern started what became Decision Systems Israel Limited (DSI Israel), along with American immigrant Shimon Kaufman. "Together we ran this little software company in Israel," Morgenstern said. "It was a joy."

That little Israeli company had taken 16 years to get off the ground, after Morgenstern had accumulated many years' experience of consulting in Israel.

His toehold in Israeli industry began inauspiciously in 1963. Morgenstern and his wife left their five children behind in the US and made their first visit here. They were to celebrate their 10th wedding anniversary. As soon as they landed in Israel, Morgenstern heard his name announced over the public address system. "I was convinced that someone was sick and I was going to take the next plane home," he said.

As he made his way to a phone to answer the page, two people with badges approached him, he said. "I thought they were coming to arrest me."

Instead, they asked him to come to Haifa. "They said, 'We have some problems there we want you to solve,'" Morgenstern said. He told the two men: "I don't know what you are talking about. It's nice talking to you. I'm a tourist. I said my own way here. Goodbye."

The Morgensterns spent a few days touring,

and every morning and every night, he said, the two would come to ask him when we was going to Haifa. Finally, a frustrated Morgenstern went to Haifa.

"I sat in this room with no windows, and they brought in people who were developing radar systems and guidance systems — things I had worked on. They had questions and I tried to answer them."

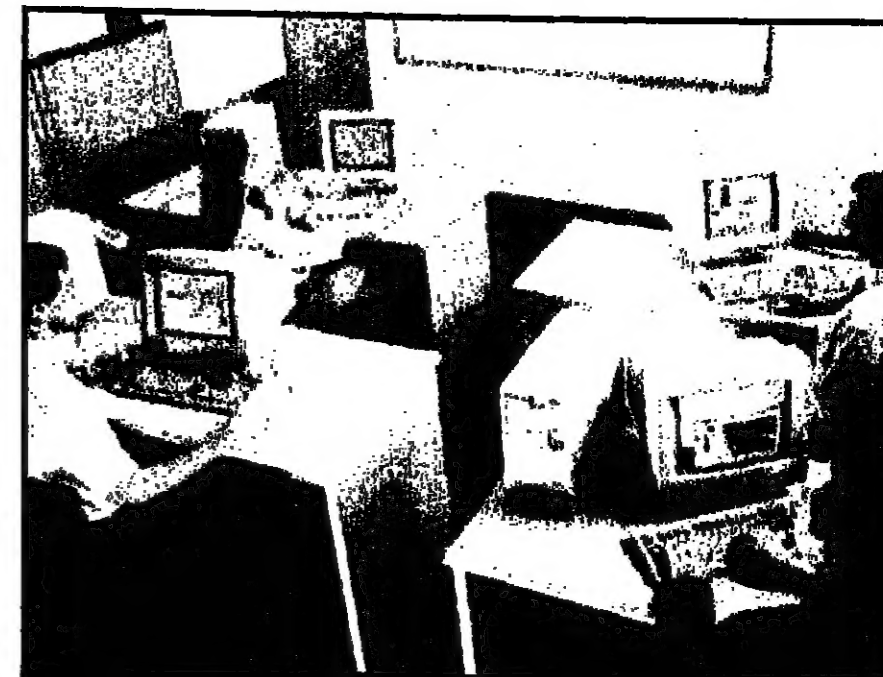
"They kept me in this room for four days, from 7 in the morning till 7 at night," Morgenstern said. "The place in Haifa was Rafael [the armaments development authority], which I didn't know at the time."

He was very curious about how the Israelis knew about his talent and his travel plans, as he couldn't recall telling anyone he was coming to Israel. As it happens, when he was designing an air traffic control system for the US Federal Aviation Administration, an Israeli named Bar-Avid Arad was at the FAA as an observer.

"Here's an Israeli working in the FAA and he saw the kippa, so he came over and started talking to me," Morgenstern said. "I happened to mention to him, off the cuff, that one of these days I'm going to go to Israel. I didn't tell him when I didn't tell him why."

After his adventure in Haifa, Morgenstern helped design an Israeli military test range, and someone in the military suggested that he open an office in Israel.

This was the beginning of DSI Israel, but it did not happen overnight. Morgenstern told the



Morgenstern (above) was the first yeshiva boy to enter the world of computer programming.

(Left) His company employs more than 360 systems and software engineers, 293 of them in Israel.

A BLESSING FROM GOD

The man who would jeopardize a job interview by saying he could not remember the names of textbooks, rather than admit he could not afford them, now has a private street whose name means "tranquility."

Although some associates noted how hard Morgenstern worked, he never mentioned it. Rather, he said, in one of the few moments when he was not smiling, "In all my life, God has been extraordinarily gracious. Because I never was on an airplane, I ended up in the computer field. Because the guy who happened to interview me was named Wouk and I happened to be holding *Marjorie Morningstar*, I got my first job."

Morgenstern, who was the first yeshiva boy to enter the field of computer programming, called his career "a blessing from God."

"My way of repaying all that was, I would have to say, that the next hundred yeshiva boys that went into it all worked for me, in one way or another. We literally created an industry that today has an enormous number of Orthodox boys in it."

The smile returned. "It's one of the chosen professions of yeshiva boys."

The one-time yeshiva boy still studies Talmud each night, with his son and a neighbor.

And there is his other vocation. "I am the math teacher on the block," he said, tickled by teaching his grandchildren.

—M.H.

THE PRESIDENT'S VISIT

Morgenstern's company employed 915 people as of last December. More than 250 are systems and software engineers, programmers and technicians, and of these, 223 are in Israel. Since April 1992, it has had an immigrant absorption program through which DSI Israel entered agreements with the government to absorb up to 100 immigrant scientists in its operations.

It was to command its absorption program that President Ezer Weizman recently visited DSI Israel, and George Morgenstern was there.

It is a story he relishes telling. Morgenstern turned to Weizman and told the president: "This is not the first time we have met. I met you once in Ofra, and I have a picture of it on the wall in my office. When people ask me why I have that picture on the wall, I tell them, 'Because one day that man is going to be president.'"

Without missing a beat, Weizman said he really didn't want to be president. So why did he do it? "I didn't want to make Morgenstern a liar."

—M.H.



EXODUS FROM THE CAPITAL

More and more young couples are leaving Jerusalem for Beit Shemesh and Modi'in

By Galit Lipkis Beck

Jerusalem is not just another city. It's the nation's capital, the country's second most important business center after Tel Aviv and a tourism, academic and spiritual center. But the city still has a long way to go. It is among the country's poorest, with almost 28 percent of its residents living below the poverty line.

During the last few years demand for housing in Jerusalem has increased at a faster rate than in many other cities in the country, creating serious housing problems, especially for the observant and young couples. The government's recent decision to freeze expropriation of land in northern and southern Jerusalem is expected to make the situation even worse. Shmuel Levi, manager of the Ambassador real estate agency, says he expects "real estate prices in Jerusalem to be the highest in the country in several years since there are very few neighborhoods currently in construction and no massive building."

The municipality expects about 4,000 people to seek to purchase housing within the city limits in 1996. At the same time, more and more young couples and families are leaving the city and buying cheaper housing in what has come to be known as Greater Jerusalem, and even further away in places like Beit Shemesh and Modi'in.

About one-third of the apartments purchased in Modi'in were sold to Jerusalemites at an average price per room of \$35,000-\$40,000. Real estate agents say it is very difficult to

find a three-room apartment in Jerusalem for less than \$150,000.

However, Moshe Babani, sales manager at Anglo-Saxon in Jerusalem, says the real estate market has calmed down in the last eight months following a surge in prices two years ago. "We experienced a small rise in demand last month which may be due to the situation prevailing on the stock market or even the end of the winter season."

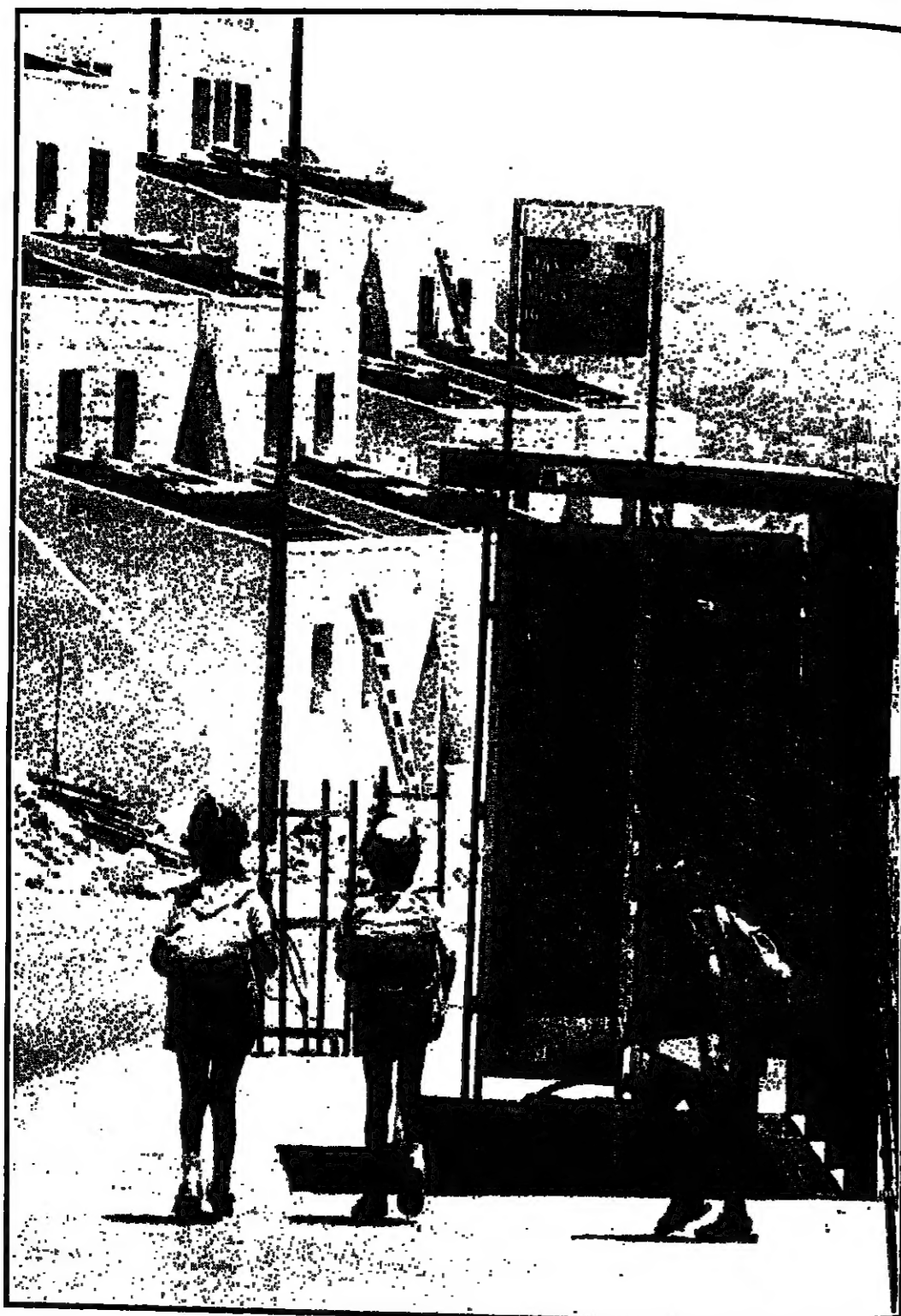
Last month, Anglo-Saxon's Jerusalem division experienced a 50-60 percent growth in sales compared with April. Babani says the price of the apartments sold ranged from \$135,000-\$750,000.

According to Anglo-Saxon, apartment prices in Talbich and Rehavia, the city's older neighborhoods, range from about \$280,000-\$300,000 for a three-room apartment and \$370,000-\$400,000 for a four-room apartment.

Demand for housing in the haredi sector, which represents a large part of the population, is growing more rapidly, Shmuel says apartment prices in religious neighborhoods like Ramot and Geula range from about \$75,000-\$85,000 per room.

There is also high demand from foreign residents. Last month, Ambassador experienced higher demand for housing than in similar months in previous years. Shmuel attributes the rise to the peace process and also an improvement in the world's economic situation.

Foreign residents' demand for housing is expected to continue to rise in future as more and more interna-



tional companies open offices and factories in the country.

DEVELOPING The tourism and high-tech industries are among the municipality's top priorities. The Jerusalem 3000 celebrations are expected to significantly boost employment opportunities, while the industrial development plans are intended to increase the municipality's funds, and attract highly-educated residents. The municipality hopes to prevent the migration of young and secular residents from the city.

Several high-tech parks are currently under construction, including the Technology Park which will be spread on 60 dunams in Malha, a 100-dunam park in Pisgat Ze'ev, and another area intended for light industry on Har Hotzvim. Other industries are situated in Talpott and Givat Shaul.

In the office market, prices are relatively high even though there is no real shortage of available office space, with the exception of the Givat Shaul district. According to Ambassador, average office purchase prices range from \$2,000 per sq.m. in Givat Shaul to \$2,500 per sq.m. in the center and up to \$3,500 in high-quality buildings.

The municipality's infrastructure

plans are mainly concentrated on tackling the city's transportation problems. The city's latest road developments have helped save a bit of travel time, but still do not eliminate Jerusalem's heavy traffic jams which are among the worst in the country.

▲ DANKNER Investments, the developer of the Dankner Towers in Rishon LeZion, has sold 45 of the 160 apartments available in the scheme for a total of \$9.5m. Dankner is investing \$15m. in the four-building development.

The company is offering for sale four-and-a-half room, 137 sq.m. apartments for \$216,000, and five-and-a-half room, 154 sq.m. apartments for \$236,000. Five-room penthouses on the 10th floor are available for \$360,000.

▲ AZORIM has sold 300 of the 500 holiday apartments available in the first construction stage of the Neot Golf development in Caesarea. The company is offering two-room apartments with a 60 sq.m. garden for \$175,000. Two-room apartments with a balcony are available for \$140,000-\$150,000. Duplex apartments are available for \$295,000. The apartments will be available for occupancy in June 1996.

▲ MORE than 50 percent of the public expects apartment prices to go up in the coming year, according to a survey conducted by Tefahot mortgage bank. Tefahot said 13% of the public expect prices to fall, while 25% expect prices to remain unchanged.

▲ ILTAM Properties, the sole letting agent of the Paz Towers building in Ramat Gan, has rented out 1,850 sq.m. of the 15,000 sq.m. available in the building. The company is currently in negotiations with a large bank which is interested in renting 800 sq.m. Office space is available for \$22 per sq.m. The developers plan to open an art gallery, expensive restaurant, cafeteria and bank on the ground floor.

▲ PITARO Hecht, the furniture importer, has purchased 700 sq.m. of space in the new Lumir Building in Herzliya Pituah. The company refused to disclose the details of the contract.

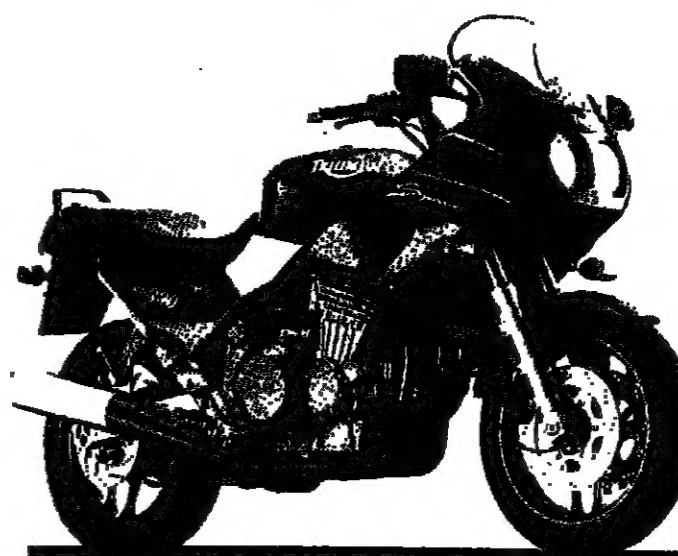
▲ BLOCKBUSTER Video, the US video chain, plans to open its first branch in Ramat Gan in August. The company has rented 450 sq.m. for \$120 per sq.m.

▲ DANYA-CEBUS, a subsidiary of Africa Israel, has rented 1,500 sq.m. building in Or Yehuda for \$8 per sq.m.



A TRIUMPHANT RETURN

By Joel Gordin



Triumph, the UK's best-known motorcycle, will soon be roaring through our streets, as it did during the days of the Mandate. But the only similarity to the original Triumph will be the brand name.

The Triumph factory, which had been making motorcycles since 1907, collapsed in the early 1980s. The main reasons were the local economic slump and the arrival in Europe of cheaper, high-tech Japanese rivals.

Along with Triumph went all the other great names of British motorcycling — Royal Enfield, BSA, Norton and Matchless.

However, entrepreneur John Blore had the foresight to buy the rights to manufacture motorcycles under the name Triumph. He realized that, to compete with the Japanese, he had to play them at their own high-tech game. So he discarded the old factory line and, over the past decade, has built an entirely new plant at Hinckley in Leicestershire. Today it is one of the most modern in the world and turns out more than 12,500 units a year.

Triumph would not dream of making anything so trivial as a moped and specializes in big, high-powered "super-bikes." Exports go to 34 countries — and the latest market is Israel. The local dealer is to be PTS Ltd, which has successfully represented Harley

Davidson here for the past seven years. (The name PTS is an acronym for "power through speed.")

PTS CEO Oded Klein said that, during the past seven years, Harley has captured more than 10 percent of the local market for big (above 500cc) motorcycles. Israelis bought 400 big bikes last year, of which 48 were Harleys. "We could have sold much more, but Harley severely limits the amounts it is prepared to export," laments Klein.

Won't there be a conflict of interest between Triumph and Harley? "Not at all. Harleys are custom-made, while Triumphs — in any event, the Triumphs we will import — are sports models. It's like comparing an Aston Martin with a Cadillac."

Nevertheless, Klein intends to proceed carefully. Initially he will sell only one make of Triumph — the 900cc Sprint. And he will only import according to individual order. Delivery will take about three months.

The price of the 900cc Sprint will be around NIS 65,000. In comparison, the two cheapest Harleys available to Israelis, the Sportster 883 and the 1,200, start at NIS 43,000. He expects the Triumph to appeal to the same market group as the Harley — men aged over 30, in the upper income brackets, who buy a motorcycle in addition to, and not instead, of an automobile.

Marketing will be helped, states Klein, by the Transport Ministry's recent decision that all motorcycles, irrespective of size, are regarded as a business expense for tax purposes.

However, he does not expect the Triumph's entry into Israel to be a smooth ride. "The big four Japanese manufacturers [Honda, Kawasaki, Yamaha and Suzuki] have all developed Harley and Triumph clones. Harley and Triumph could appeal to patriotic fervor in the US and UK; in Israel they'll have to convince, on merit alone, that the original is the best."

FOXY LADY

VOLKSWAGEN POLO FOX. Four-door passenger automobile. Engine: 1,598cc. Horsepower: 75 at 5,200rpm. Torque: 13 at 3,400rpm. Gears: manual, 5 forward. Maximum speed: 172 kph. Acceleration: 0-100 kph in 12.5 sec. Gasoline consumption: 18.6 km/l at 90kph; 11.6 km/l in town. Price: NIS 66,305.

In an ideal world everybody would own two cars: a large one for interurban travel and a smaller town car for zipping through traffic and parking in the city. But most people must choose one model to serve both purposes and this involves a compromise.

Those who opt for a town car can literally take comfort. Today's top-bracket small cars are as roomy (for four passengers at any rate) as big cars. They also include many of the accessories, including the safety features, of larger versions. The new Polo, for example, is only 3.7 meters long and 1.6m. wide.

Thanks to a clever design, even long-legged passengers can get in and out and sit and stretch without discomfort. The standard Polo includes an excellent "original" air-conditioner, two front power windows, two airbags, seat belt tensioners, telescoping steering wheel and tough body reinforcement to protect passengers from both headlong and side-impact collisions. (It is the only automobile in its class on the local market that comes with two airbags.)

This new Polo, the third in the series, was unveiled last November in



Paris, but only recently made its debut here. From the outside it looks like a smaller version of its best-selling older sister, the Golf, which looks solid and dependable, but is about as dashing as a shopping trolley.

The Polo is more compact, so it seems cuter and more attractive than the Golf. But it definitely lacks the striking features of some of its rivals, such as the Opel Corsa and the Fiat Punto.

Inside, there are strong similarities to much of the VW family, from the Audi right down to the Seat and the Skoda. The Polo is a marvelous example of how a small car can be made without sacrificing the quality of materials and workmanship associated with a big car. The dash is perfectly stuck together with high-class materials. The design is symmetrical,

ergonomic, attractive and functional. And the comfortable seats are upholstered in fresh, attractive colors.

The airbag on the passenger side does not allow for the possibility of a glove compartment, but there are two large map compartments, one in each side door. There is also a recess in the central console. The small, deep trunk provides pretty reasonable space for a hatchback.

There's central locking, a rev. counter and a built-in, high-tech burglar alarm called an electronic immobilizer (the engine won't start unless the right key is inserted). The mirrors, however, must be adjusted manually. The buttons controlling the power windows are in a strange place, under the radio, and don't light up at night.

The extra layers of safety plating

add weight, which may be one of the reasons the engine is not quite up to the performance standards of most of its rivals, including its Spanish cousin, the Seat Ibiza. Still, 990kg is not all that much for a 1,600cc engine and the acceleration performance is disappointing. Real oomph can only be achieved by increasing revs above the 3,500 mark, at which point the engine roars in protest.

At lower speeds the engine is highly flexible; even in third gear it's possible to maintain a speed range from zero up to 80 kph. Thus town drivers won't miss the automatic shift, which isn't available. In any of the Polo models, the fuel consumption figures are the best in its class. I easily got a 12km/l average in a test which included tough conditions. The road-holding is a lot better than the engine

performance and the steering leaves little margin for error. The suspension is great on good roads but mediocre on bad ones.

In short, the Polo is a comfortable (for four passengers) town car with no compromise on safety and with most of the accessories and certainly the finish you'd find in many a limousine. In safety features and finish it has the edge on its rivals which include not only the Corsa and Punto, but the Ford Fiesta, the Peugeot 205, the Seat Ibiza and the Renault Clio.

Those looking for looks, semi-sports performance — or an automatic shift — will turn to its rivals. The 1.3-liter version will cost NIS 59,250, without an air-conditioner.

The addition of a locally-made Alex air-conditioner adds NIS 3,540 to the price.

—Joel Gordin

JERUSALEM APARTMENT PRICES

(approx. Quoted by Anglo-Saxon)

(Figures in thousands)

Neighborhood	3rm	4rm
Rehavia	280	370
Beit Hakerem	210	280
Ramat Eshkol	170	220
Har Noi	170	230
Jewish Quarter	180	250
Old Katamon	210	290



THE VILLAGE THAT DIED FOR LLOYD'S

Michael Savage is a tour guide to a financial disaster. Along with 18 other people in the village of Chobham in southeast England, Savage is a "name," an investor who pledged his wealth, right down to his cuffed links, to gamble in possibly the world's most famous insurance marketplace: Lloyd's of London.

Some gamblers like blackjack. Some have preferred Lloyd's. A "name" underwrites risks — he gambles that he and his fellow investors will collect more in premiums through Lloyd's than they will have to pay out in claims. Until recently, it was a game of chance the investors almost always won. Then the risks changed.

Savage points to the signposts of economic distress created by the most expensive losing streak in Lloyd's 307-year history: Here, a farmhouse sold to pay a family's debt to Lloyd's; there, three stately homes quietly put on the market by their cash-strapped owners. Along Chobham's main shopping street, the jewelry store has unloaded the prized possessions of once-wealthy families.

Savage ends the tour at his 16th-century farmhouse. He admits to having Lloyd's losses labeled "moderate" and a financial future he calls "uncertain." Indeed it's so uncertain that he is

It's a long-running spectacle of lawsuits, bankruptcies and at least a dozen suicides.

By Bill Glauber

selling half of his 100 acres (400 dunams) of farmland. "This is devastating for a whole stratum of people throughout the country," Savage says. "There are people who expected comfortable retirements who will be left with just enough money to exist."

In the past, the "names" backed insurers who wrote policies on nuclear power plants, oil tankers and the golden legs of football stars. Aristocrats, land-owning families and business dynasties were among those who profited. They

pledged all their wealth to back claims, but the liabilities never appeared overwhelmingly large.

And Lloyd's seemed a symbol of stability. It was the insurance market that grew from Edward Lloyd's 17th-century coffee house into the modern behemoth encased in a steel-gray office tower. Not long ago, the greeters still wore top hats and red tails, a quill pen still was used to inscribe a leather log book, and a bell-ringer covered from an 18th-century frigate lost at sea adorned the offices.

But in the late 1980s, tradition gave way to

disaster. Along with 32,433 "names," Lloyd's went on a five-year, \$12.8 billion losing streak driven, it said, by a string of hurricanes and earthquakes, plus asbestos and pollution claims in the US.

Some 10,000 of the "names" either can't or have refused to pay their debts. Thousands of others have sued Lloyd's, accusing it of negligence, and those suits remain in the courts. A parliamentary committee recently noted that Lloyd's self-regulation "has been a failure thus far."

THE SAGA may be resolved within the year. Last week Lloyd's officials announced a recovery plan, and investors and regulators are negotiating the details. But no agreement has yet been reached.

"There is pain and gain involved," says Lloyd's chairman David Rowland. "Some people will benefit, others will suffer."

To much of the world, the battering of Lloyd's is a long-running spectacle of lawsuits, bankruptcies and at least a dozen suicides. It is a story that appeared to affect only the high-fliers such as sports champions and entertainment stars who were among the investors.

The public apparently has little sympathy for them. A recent editorial in the British tabloid *The Sun* said of Lloyd's investors: "They risked all on the assumption of lifelong riches and squealed like pigs when they lost the lot."

Chobham, 24 miles southwest of London, has rightly been called "The village that died for Lloyd's." The newspaper *The Independent* calculated that no other British village has been hurt as much; it forecast that Chobham's 19 "names" could owe Lloyd's \$27.6 million.

The anxieties and losses have risen in tandem. "The worst part is the uncertainty," says Savage, a 63-year-old former broker in rice. "It's like a nightmare you can't wake up from."

He would rather be indulging in his passion for fly-fishing than worrying about an investment gone sour. But it's clear, from the clutter of insurance files in his office, that Lloyd's is a preoccupation. He began investing in Lloyd's in 1983 as an inflation hedge. After five years of modest gains, he sustained five years of losses. That wiped out the profits — and then some.

"I should have seen the handwriting on the wall and gotten out," he says. "The man who got me in, told me to get out in 1988. It was the best advice I didn't take."

At least Savage still has his farm. Harold Solway says he lost his 34-acre (136-dunam) horse farm in Tatsfield last year, in order to pay \$528,000 he owed Lloyd's. He says he owes another \$2.7 million. He's living in a room at his son's farm in Shore and collecting a pension of \$550 a month.

Lloyd's still sends letters demanding more money from him.

"It's a bit late to start over again," he says without bitterness. Only when he talks of the loss of his farm does his voice well up with emotion: "I just can't go near the place."

He says that he blames himself "for being so stupid. In consolation, I'm in good company. Solicitors, judges, members of Parliament, film stars, we're all in the same boat."

There's even a \$24,000-a-year secretary from a modest south London neighborhood among the names.

Betty Atkins, 58, white-haired, soft-spoken, has emerged as a symbol of what can go wrong for a Lloyd's investor. In 1979, she celebrated her 25th anniversary working for a small firm of insurance brokers. Along with another secretary, she was invited by her boss to become a Lloyd's investor. The firm put up a bank guarantee and paid for an insurance policy to shield her from potential debts.

"It was an honor," she says. The honor became a financial catastrophe. One of the syndicates with which she invested was buried with asbestos claims, and her own insurance proved worthless.

Even worse, she says, her old boss denied knowing her.

The losses keep mounting. "I don't even know what I owe anymore," she says. "It's like Monopoly money. At one time I went nights on and without sleeping. You find you worry about everything and nothing."

To Atkins, talk of reconstruction and bailouts at Lloyd's is irrelevant. She works. She pays her daily bills. She watches her debt to Lloyd's skyrocket.

"My life?" she says. "It's ruined."

The Baltimore Sun

Fund's name	unit cost	redemption price	monthly yield (%)	yield 1995 (%)	NIS assets (millions)
FLEXIBLE					
Ahikim	155.18	152.37	+0.11	+0.05	21.6
Ahikim Flexible	120.90	119.29	+1.01	-6.56	7.8
Ahikim Flexible	378.84	372.05	+0.30	-6.63	7.6
Analyst Diversified	507.16	495.03	+0.81	-0.42	114.6
Asaf	168.91	166.83	+0.05	-2.17	1.9
Av	12019.34	11937.06	+0.82	-1.53	3.7
Avuka	1498.24	1470.48	+1.37	-3.55	8.6
Bazak Flexible	191.06	189.46	+0.20	-0.94	4.2
Betha 30 plus	129.07	127.33	+0.58	-1.31	12.1
Betha Flexible	2014.85	1987.44	+0.02	-0.11	16.7
Bloch Rotstein Flexible	112.23	109.86	+1.26	+0.95	4.1
Burson Flexible	67.82	67.30	+0.94	+0.04	1.0
Dovrat-Shrem Flexible	120.38	117.83	+0.38	+2.28	46.2
Evergreen Flexible	77.82	76.22	+0.20	-1.14	5.2
Idit	2947.80	2914.50	+0.09	-1.15	50.0
Idit Tishar	2228.19	2216.92	+0.56	-1.71	106.4
Idit90	176.25	172.97	+0.77	+3.24	38.1
Idit Flexible	102.74	100.91	+0.57	+4.29	14.1
Idit Flexible	950.98	933.50	+0.53	+3.09	10.1
Lahak dufat	530.82	528.90	+0.49	-0.91	112.0
Lahak sakal	126.45	125.04	+1.18	-8.63	31.9
Lamassikla	410.27	405.51	+0.32	+4.68	10.2
Lapid	1262.25	1238.89	+0.85	-3.91	7.8
Mamon	196.56	194.90	+0.23	+4.19	41.7
Mamim Flexible	103.84	101.99	+0.30	+0.07	4.5
Melav	114.53	114.05	+0.57	+4.69	14.1
Melav Flexible	1572.68	1554.37	+0.23	-1.67	5.6
Moked	2417.07	2396.32	+0.32	+2.44	100.7
Nesua Flexible	1817.05	1805.68	+0.86	-0.09	23.0
Netz	178.93	176.45	-1.70	-8.10	8.2
Noga	565.82	558.07	+0.41	+0.06	41.3
Omer Pekan	154.92	154.34	-0.12	+1.59	70.9
Ozar Flexible	68.63	67.45	+0.15	+0.60	7.9
Panther	389.66	386.23	+0.71	-2.87	6.8
Pia hayovel	150.14	148.86	+0.98	-3.12	46.0
Pia kola	618.48	615.40	+0.23	+3.16	46.2
Pasgot 100	207.40	205.58	+0.83	+3.77	100.0
Pasgot Flexible	410.23	402.65	+0.74	-2.81	217.0
Ramco Flexible	134.19	132.39	+0.57	+5.10	11.8
Sar	137.12	136.55	+0.29	+0.54	313.7
Sigma Flexible	80.98	80.09	+0.60	+1.46	20.9
Sima	148.71	146.67	+1.12	+3.33	30.5
Tamira Flexible	2197.13	2167.86	+0.58	+0.79	14.3
Yaad Flexible	76.32	75.57	+1.23	+3.85	2.1
Yesodot	2230.71	2187.48	+0.28	-3.86	73.7
Zeller Avigilon flex	92.42	91.41	+0.85	-3.07	5.3

SHARES

Adif	95.32	93.61	+2.02	-6.83	53.2
Ahikim shares	187.69	185.23	+1.64	-9.16	21.3
Ahikim oil shares	125.56	122.96	+3.45	-23.96	4.6
Ahikim real estate	182.59	178.77	+1.31	-9.48	24.7
Ahikim shares	252.30	247.67	+0.45	-6.88	8.2
Analyst Aggressive	100.53	98.15	+2.14	-2.19	18.6
Analyst Equity	785.12	766.37	+1.03	-0.88	145.4
Analyst Industries	243.49	237.66	+1.08	-0.00	74.4
Ashpek	101.03	100.17	+0.55	+13.01	45.5
Banek	149.10	148.59	+0.51	-1.84	2.4
Betha shares	3409.65	3452.52	+0.22	-0.25	14.8
Brynot	55.57	54.78	+2.18	-1.65	2.8
Chemical shares	69.93	68.97	+0.97	-2.78	2.4
Chemical Pekan	80.17	78.71	+1.92	-2.78	8.3
Dovrat-Shrem carain	92.10	90.20	+0.41	-1.46	8.1
Dovrat-Shrem shares	74.24	72.68	+0.17	+1.42	15.2
Emda Carmel	70.87	69.78	+0.69	+10.83	2.4
Emda Carmel	1533.93	1516.90	+0.61	-4.46	45.4
Emda Export	62.45	61.70	+0.02	+1.10	32.5
Emda Maof	137.94	136.72	+0.15	+3.36	59.2
Emda Mishanin	1388.32	1372.30	+0.41	+2.35	69.3
Emda Paz	125.23	123.82	+0.48	+0.53	14.7
Emda Shalevet	154.76	153.61	+0.18	-11.63	34.7
Emda Shani	63.84	63.01	+0.40	-13.73	2.8
Epstein 36	127.67	125.99	+0.79	-15.78	6.5
Epstein shares	228.85	227.93	+0.61	-3.15	247.4
Erez	547.30	535.88	+0.99	-8.41	4.0
Eyal	110.04	108.82	+0.74	+1.37	110.8
Evergreen shares	107.35	106.90	+0.24	-	5.0
Gol	79.21	78.15	+0.61	+5.34	16.1
HaronLavi shares	98.19	96.41	+0.14	-3.35	1.9
Hon Pekan	66.32	65.10	+1.18	-4.84	42.8
Idit	2083.16	2070.45	+0.70	+5.29	95.6
Idit Dektel	1802.95	1792.07	+0.82	+1.63	84.7
Idit Duvdevan	93.70	91.81	+0.66	+16.67	14.8
Idit Globe	641.33	629.55	+1.00	-0.16	165.0
Idit Shesak	134.85	132.40	+1.09	-3.76	126.8
Idit Tel	60.71	59.58	+0.42	+5.41	19.7
Idit Tel	62.80	61.65	+1.08	-2.59	20.8
Idit Tel	130.21	129.57	+0.15	+3.91	51.7
Idit Tel	48.42	47.52	+0.89	-6.57	32.2
Idit Tel	129.52	126.65	+0.75	+1.17	1.6
Idit Tel	46.52	45.28	+0.95	-17.36	0.2
Idit Tel	155.54	154.18	+0.21	+6.34	3.3
Idit Tel	117.42	115.85	+0.53	-12.93	3.1
Idit Tel	115.69	115.21	+0.09	-5.88	147.4
Idit Tel	91.30	90.52	+1.16	-20.01	27.7
Idit Tel	208.40	205.64	+0.90	-2.35	41.8
Idit Tel	609.86	595.31	+0.47	-2.36	80.3
Idit Tel	97.85	96.04	+0.94	-0.68	99.2
Idit Tel	68.58	68.32	+1.11	-2.13	46.5
Idit Tel	47.90	47.01	+0.11	-16.53	15.3
Idit Tel	296.21	290.74	+0.69	+1.05	180.9
Idit Tel	577.60	575.51	+0.68	-4.39	92.6
Idit Tel	65.62	65.06	+0.18	+1.93	18.3
Idit Tel	126.72	124.38	+0.36	+4.07	134.2
Idit Tel	202.24	198.28	+1.34	-5.78	26.7
Idit Tel	54.48	53.50	+1.44	-9.04	4.3

Fund's name	unit cost	redemption price	monthly yield (%)	yield 1995 (%)	NIS assets (millions)
Mazon	87.52	86.34	+1.96	-1.69	5.1
Mid Maof	132.97	132.14	+0.15	+3.70	41.7
Melav options	39.15	38.53	+0.23	-14.79	8.0
Melav shares	148.57	146.82	+0.20	-4.43	5.5
Mercatzi maof	128.64	128.32	+0.55	+5.71	1.9
Mercatzi mishanin	212.99	212.28	+1.00	-2.83	5.7
Mercatzi shares	55.33	54.83	+1.27	-5.76	3.1
Merets	348.70	345.80	+0.18	+3.64	102.3
Mifan	82.91	82.23	+0.01	-4.19	16.6
Migzar finance	73.25	72.65	+0.03	-0.83	19.6
Mivneh	267.35	265.11	+0.74	-4.78	100.0
Mondial	122.86	121.40	+0.87	+6.91	10.5
Nor	1119.69	1102.26	+0.61	+2.47	152.2
Nesut shares	286.53	284.68	+0.45	-0.49	11.8
Nili	715.97	706.07	+0.62	-3.90	17.6
Nimrezt	61.76	60.59	+0.92	+0.38	6.2
Ozar shares	75.96	74.63	+0.01	+0.46	14.3
Pia 2000	60.49	60.13	+0.62	+5.49	32.2
Pia bidlach	658.77	654.78	+0.63	+6.00	112.8
Pia maof	111.08	109.03	+1.02	-8.72	100.9
Pia michol	130.69	128.27	+0.18	+4.78	153.9
Pia michol	324.33	314.81	+0.59	+2.59	108.3
Pia oden	810.54	795.67	+0.54	+0.72	208.7
Pia world	78.06	77.46	+0.69	+11.28	33.7
Pia yashalom	775.80	761.62	+0.73	-2.94	134.3
Pia zluak	49.63	48.71	+1.33	-7.59	52.9
Princess Continental	47.86	46.96	+0.36	-9.15	67.8
Priza	87.76	85.46	+1.18	+3.95	1.0
Pasgot Focus	64.81	63.60	+0.92	+1.68	128.0
Pasgot al	60.11	58.99	+1.04	-0.69	0.0
Pasgot limit	112.00	111.20	+1.01	+0.23	2.1
Pasgot masbat lachalom	81.25	79.72	+0.47	-3.05	86.0
Pasgot shares	519.24	515.85	+0.98	-3.04	146.0
Ram 90	176.95	173.14	+0.66	-21.22	14.9
Sapanoot shares	60.70	60.45	+0.73	-5.44	9.8
Simodan shares	103.99	102.45	+0.31	-0.23	2.1
Tamuz	112.00	111.20	+1.01	+0.23	2.1
Tamuz export	181.56	179.54	+0.64	+3.20	2.1
Tamuz shares	443.41	440.67	+0.91	+1.91	7.3
Tsuot Sufa	104.49	101.93	+0.16	+1.93	16.5
Year	64.04	63.78	+0.11	-8.15	1.3
Zik	314.71	307.42	+1.43	-4.47	12.5
Zinger Barne Financial	79.06	77.58	+0.01	-2.32	2.1
Zion clarm	89.27	88.63	+1.14	-7.43	14.8
STATE BONDS					
Ahruyt state	311.85	307.86	+0.08	+2.39	3.0